



MEMO

TO: ALL MONTANA SCHOOL DISTRICTS

FROM: Brian Spangler, Program Manager, Business and Community Assistance

DATE: March 27, 2009

SUBJECT: Montana Clean Diesel School Bus Replacement Grant

In the American Recovery and Reinvestment Act of 2009 (ARRA), Congress allocated \$300 million to support clean diesel activities under the Diesel Emissions Reduction Program (DERA) of the Energy Policy Act of 2005. DERA authorizes the U.S. Environmental Protection Agency (EPA) to support grant and loan programs administered by states and the District of Columbia that are designed to achieve significant reductions in diesel emissions. Of this \$300 million allocated to DERA under ARRA, approximately 30 percent goes to State Clean Diesel Grant programs and approximately 70 percent to national competitive grants. Under the State Clean Diesel Grant program the money was divided equally among all states and the District of Columbia. As a result, each applicant including Montana will receive approximately \$1.7 million in April 2009.

In order to qualify for funds under the State Clean Diesel Grant program, each applicant was required to submit a work plan to the EPA regional office for approval. The work plan submitted by the Montana Department of Environmental Quality (DEQ) identifies the replacement of older diesel-powered school buses as the most effective strategy, given the time constraints imposed by ARRA. The DEQ work plan prioritizes school bus replacements using an application process. The application materials include detailed information related to prioritization using the following general criteria:

- Existing Diesel-Powered Bus Emission Rates (by vehicle/engine model year)
- Remaining Useable Life (per bus)
- Poor Air Quality Areas (bus routes located within)
- Student Rider Service Levels (rider-miles traveled/bus/school year)
- New Bus Emissions Control Level (more points for meeting the 2010 standards)
- Local Program Cash Match per Bus (extra points for a 50 percent cash match)

Montana DEQ is partnering with the Montana Office of Public Instruction (OPI). Interested local school districts will submit applications to **DEQ** with the information necessary to score each application based on the prioritization factors. DEQ and OPI staff will form a joint technical oversight committee to evaluate and score the applications. The application and instruction package will be developed in April. Interested parties must notify DEQ by **May 1, 2009** to request an application package. If interested, please provide the School District Name, Contact Person, Mailing Address, Phone Numbers (Voice & Fax) and Email Address(es) to this DEQ staffer by email:

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Thank you for your interest in reducing diesel emissions and stimulating America's economy.